

PDS UPDATES - ONEPATH WHOLESALE INVESTMENT TRUSTS

PDS Updates | 2 August 2018

This document contains a separate Product Disclosure Statement Update (PDS Update) for the Product Disclosure Statements (each a PDS) dated 28 September 2017 for each of the following managed investment schemes:

- OnePath Wholesale Australian Share Trust (ARSN 089 940 081) (in accordance with section 1 below);
- OnePath Wholesale Select Leaders Trust (ARSN 095 838 887) (in accordance with section 2 below);
- OnePath Sustainable Investments – Wholesale Australian Shares Trust (ARSN 097 176 880) (in accordance with section 3 below); and
- OnePath Wholesale Blue Chip Imputation Trust (ARSN 098 458 863) (in accordance with section 4 below).

1. PDS Update - OnePath Wholesale Australian Share Trust PDS

The PDS is updated by:

- a) replacing the 'Investment management of the Trust' section on page 1 of the PDS with the following:

Investment management of the Trust

We have appointed Alphinity Investment Management Pty Limited (ABN 12 140 833 709) (Alphinity) as the active investment manager of the Trust.

- b) replacing the 'The investment process' section on page 4 of the PDS with the following:

The investment process

Alphinity believes that a company's earnings growth and expected earnings growth ultimately drives its share price performance, and that there is a systematic mispricing of individual equities over the short to medium term due to under or over estimation of a company's earnings ability. This provides an opportunity for outsized investment returns as the true earnings trajectory inevitably becomes apparent to the market.

Alphinity believes that, through a well-tested and systematic combination of in-depth fundamental research and targeted quantitative analysis, the investment team can successfully identify such investment opportunities and, as importantly, avoid or sell those stocks with deteriorating or overly optimistic market expectations.

With the focus on identifying companies where the investment team's earnings expectations differ to those of the market, Alphinity prefers companies with attractive total return estimates derived from a forecast earnings profile which differ from market expectations rather than a different valuation methodology or view.

The strategy is a core, actively managed portfolio of Australia Stock Exchange listed Securities. The portfolio contains between 35 and 55 securities.

2. PDS Update - OnePath Wholesale Select Leaders Trust PDS

The PDS is updated by:

- a) replacing the 'Investment management of the Trust' section on page 1 of the PDS with the following:

Investment management of the Trust

We have appointed Alphinity Investment Management Pty Limited (ABN 12 140 833 709) (Alphinity) as the active investment manager of the Trust.

- b) replacing the 'The investment process' section on page 4 of the PDS with the following:

The investment process

Alphinity believes that a company's earnings growth and expected earnings growth ultimately drives its share price performance, and that there is a systematic mispricing of individual equities over the short to medium term due to under or over estimation of a company's earnings ability. This provides an opportunity for outsized investment returns as the true earnings trajectory inevitably becomes apparent to the market.

Alphinity believes that, through a well-tested and systematic combination of in-depth fundamental research and targeted quantitative analysis, the investment team can successfully identify such investment opportunities and, as importantly, avoid or sell those stocks with deteriorating or overly optimistic market expectations.

With the focus on identifying companies where the investment team's earnings expectations differ to those of the market, Alphinity prefers companies with attractive total return estimates derived from a forecast earnings profile which differ from market expectations rather than a different valuation methodology or view.

The strategy is a portfolio of the best ideas of the Alphinity process. Subsequently will typically not hold underweight positions, only investing in those stocks that the investment team views as high conviction. To be classified as high conviction the stocks must rank highly across both the fundamental research and targeted quantitative analysis.

The strategy is a concentrated, actively managed portfolio of Australia Stock Exchange listed Securities. The portfolio contains between 20 and 30 securities.

3. PDS Update - OnePath Sustainable Investments – Wholesale Australian Shares Trust

The PDS is updated by:

- a) replacing the 'Investment management of the Trust' section on page 1 of the PDS with the following:

Investment management of the Trust

We have appointed Alphinity Investment Management Pty Limited (ABN 12 140 833 709) (Alphinity) as the active investment manager of the Trust.

- b) replacing the 'The investment process' section on page 4 of the PDS with the following:

The investment process

Alphinity believes that a company's earnings growth and expected earnings growth ultimately drives its share price performance, and that there is a systematic mispricing of individual equities over the short to medium term due to under or over estimation of a company's earnings ability. This provides an opportunity for outsized investment returns as the true earnings trajectory inevitably becomes apparent to the market.

Alphinity believes that, through a well-tested and systematic combination of in-depth fundamental research and targeted quantitative analysis, the investment team can successfully identify such investment opportunities and, as importantly, avoid or sell those stocks with deteriorating or overly optimistic market expectations.

With the focus on identifying companies where the investment team's earnings expectations differ to those of the market, Alphinity prefers companies with attractive total return estimates derived from a forecast earnings profile which differ from market expectations rather than a different valuation methodology or view.

The Alphinity Sustainable Share strategy invests in companies that exhibit the attributes of the investment process described above. However, companies are also screened to ensure they have a positive approach to sustainability. The screen ensures that:

- companies only perform activities compatible with Alphinity's Sustainability Charter
- companies rank highly from an Environmental, Social and Governance perspective, and
- companies can support the achievement of UN Sustainable Development Goals.

The strategy is a portfolio of companies that exhibit strong sustainability characteristics, in addition to the investment team believing that earnings expectations differ to those of the market. It is an actively managed portfolio of Australia Stock Exchange listed Securities that contains between 35 and 55 securities.

4. PDS Update - OnePath Wholesale Blue Chip Imputation Trust

The PDS is updated by:

- a) replacing the 'Investment management of the Trust' section on page 1 of the PDS with the following:

Investment management of the Trust

We have appointed Nikko AM Limited (ABN 34 002 542 038) (Nikko AM) as the active investment manager of the Trust.

- b) replacing the 'The investment process' section on page 4 of the PDS with the following:

The investment process

Nikko believes the combination of an 'intrinsic value' philosophy and a dedication to objectively-based research, whilst incorporating sound risk management, provides a strong basis for good long-term returns.

The Trust is managed using an active style based on a strategy of objective, bottom-up stock selection determined by in-depth fundamental company research with a medium-term outlook.

Nikko uses its own internal research process called Comparative Value Analysis (CVA) to identify companies whose shares may represent good value.

Whilst stock picking via company research is a critical element of their process, portfolio construction is also important. Nikko seeks to find attractive intrinsic value investments which offer the best outcome between risk and expected return, given the return objectives and stated risk profile of the Trust.

The Trust invests in a diversified portfolio comprising 40-70 Australian shares that aim to grow their dividends and deliver capital growth. The Trust has a strong emphasis on tax effectiveness, focusing on franked income, off-market share buy backs and minimising share turnover to keep net realised gains low. As an intrinsic value manager, Nikko select stocks that represent good value with a focus on income-generating assets. The Trust is managed primarily on the basis of expected grossed up dividends yields.

ANY QUESTIONS?

If you have any questions or require further information, please:

- call Customer Services on 1800 031 810, weekdays between 9.00am and 5.00pm (AEST)
- email wholesale.unittrust@onepath.com.au
- speak with your financial adviser.

This PDS Update is issued by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342) as the issuer of the OnePath Wholesale Investment Trusts. The information is of a general nature only and has been prepared without taking into account any investor's objectives, financial situation and needs. Before making a decision based on this information, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. OnePath Funds Management Limited is subsidiary of Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (ANZ), an authorised deposit taking institution (ADI) under the Banking Act 1959. The issuer is not an ADI. An investment in an investment fund is neither a deposit nor liability of ANZ or any other member of the ANZ Group. Neither ANZ or any member of the ANZ Group stands behind or guarantees the issuers or the capital or performance of the investment funds. An investment is subject to investment risk, including possibly delays in repayment and loss of income and principal invested. Past performance is not an indication of future performance.